

**Hanford Employee Welfare Trust (HEWT)
Post-Retirement Life (PRL) Insurance**

SUMMARY OF MATERIAL MODIFICATION (SMM)

Effective September 1, 2005

Retirees Age 65 and Older

This material modification supplements the previously distributed summary plan descriptions.

Coverage and premium-sharing contribution provisions for Post-Retirement Life (PRL) insurance for eligible retirees who are age 65 and older* are as follows:

Effective September 1, 2005

Post-Retirement Life (PRL) insurance coverage is the lowest of the following:

1. The retiree's life insurance coverage amount in effect immediately prior to reaching age 65;
2. One-half (1/2) the retiree's annual base pay rate at retirement ("final pay"); or
3. \$20,000

Effective September 1, 2006

Post-Retirement Life (PRL) insurance coverage will be the lowest of the following:

1. The retiree's life insurance coverage amount in effect upon reaching age 65 (*no change*);
2. One-half (1/2) the retiree's "final pay" (*no change*); or
3. \$15,000 (*reduced from \$20,000*).

The HEWT currently pays the full premium cost for your post-retirement life insurance coverage.

**Post-Retirement Life (PRL) insurance coverage levels in effect immediately prior to September 01, 2005, will remain as an option for retirees who have paid all or a majority of the total premium for their coverage since retirement. This provision refers to and applies specifically to employees who retired from UNC on or before September 01, 1987.*

Important: The Trust (HEWT) and the company Sponsors have established the Plans with the bona fide intention and expectation they will be continued indefinitely, but they reserve the right to terminate any or all of the Plans, in whole or in part, at any time without liability. This right includes, without limitation, the right to increase or decrease the Sponsors' contributions or the Participants' contributions to any or all of the Plans, at any time, and to modify any or all of the coverage with respect to any or all of the Participants covered by a Plan or Plans.